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Financing of the United Nations peacekeeping forces in the Middle East: United Nations Disengagement Observer Force

Financing of the United Nations Disengagement Observer Force

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Disengagement Observer Force (UNDOF) for the period from 1 July 1998 to 30 June 1999. The General Assembly, by its resolution 52/236 of 26 June 1998, appropriated an amount of $35,400,100 gross ($34,506,400 net) for the period.

Expenditures for the period totalled $33,662,500 gross ($32,916,100 net), resulting in an unencumbered balance of $1,737,600 gross ($1,590,300 net).

The unencumbered balance resulted mainly from civilian vacancies, favourable unit cost rates obtained for purchase of vehicles under system contract, favourable exchange rates and receipt of some items from the United Nations Logistics Base at Brindisi, Italy.

The action to be taken by the General Assembly in connection with the financing of the Observer Force is a decision on the treatment of the unencumbered balance of $1,737,600 gross ($1,590,300 net) for the period from 1 July 1998 to 30 June 1999.

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Contents

		Paragraphs	*Page*
I.	Introduction	1–3	3
II.	Implementation of the budget	4–6	3
III.	Financial performance report for the period from 1 July 1998 to 30 June 1999	7–8	3
IV.	Actions to be taken by the General Assembly at its fifty-fourth session	9	5
Annexes			
I.	Financial performance report for the period from 1 July 1998 to 30 June 1999: summary statement		6
II.	Supplementary information on significant variances		8
III.	Planned and actual deployment of military and civilian personnel for the period from 1 July 1998 to 30 June 1999		11
IV.	Apportionment and expenditure for the period from 1 July 1998 to 30 June 1999		12

I. Introduction

1. The United Nations Disengagement Observer Force (UNDOF) was established for an initial period of six months by the Security Council in its resolution 350 (1974) of 31 May 1974. The mandate of the Force has subsequently been extended by the Council in various resolutions, the latest of which was resolution 1276 (1999) of 24 November 1999, by which the mandate of the Force was extended until 31 May 2000.

2. The budget for the maintenance of UNDOF for the period from 1 July 1998 to 30 June 1999 was set out in the report of the Secretary-General dated 13 February 1998 (A/52/771/Add.1 and Corr.1), and amounted to $33,643,900 gross ($32,750,200 net).

3. On the recommendation of the Advisory Committee on Administrative and Budgetary Questions (see para. 16 of A/52/860/Add.5), the General Assembly, by its resolution 52/236 of 26 June 1998, appropriated an amount of $35,400,100 gross ($34,506,400 net) for the maintenance of UNDOF for the period from 1 July 1998 to 30 June 1999, inclusive of $1,756,200 for the support account for peacekeeping operations. This amount has been assessed on Member States.

II. Implementation of the budget

4. Information on the operations of UNDOF and on the situation on the ground during the period under review is contained in the reports of the Secretary-General to the Security Council dated 14 May 1998 (S/1998/391), 14 November 1998 (S/1998/1073), 18 May 1999 (S/1999/575) and 15 November 1999 (S/1999/1175).

5. During the period covered by this performance report, from 1 July 1998 to 30 June 1999, UNDOF continued to carry out its mandate, which requires UNDOF to maintain the ceasefire, to see that it is scrupulously observed and to supervise the agreement and protocol with regard to the areas of separation and limitation.

6. The savings realized during the period are attributable to a combination of factors, including the lower than projected requirements under civilian staff salaries and common staff costs as a result of vacancy rates of 8 and 4 per cent experienced (compared with 0 per cent vacancy rate budgeted) for the international and local staff respectively; more favourable unit rates obtained for purchase of vehicles under the system contract; non-purchase of some vehicles; receipt of some vehicles, equipment and supplies from the United Nations Logistics Base at Brindisi, Italy; and favourable exchange rates. These savings were utilized in part to fund: (a) the higher costs of obtaining rations during the interim period between the expiration of the old and award of the new dry and frozen ration supply contract; (b) unbudgeted purchase of new telephone sets; (c) upgrade of electronic data-processing (EDP) hardware and software to ensure year 2000 compliance; and (d) the mission's share of financing the United Nations Logistics Base at Brindisi.

III. Financial performance report for the period from 1 July 1998 to 30 June 1999

7. As indicated in table 1 below, from the appropriation of $35,400,100 gross ($34,506,400 net) for the period from 1 July 1998 to 30 June 1999, expenditures amounted to $33,662,500 gross ($32,916,100 net), inclusive of $13,317,000 in unliquidated

obligations. The resulting unencumbered balance of $1,737,600 gross ($1,590,300 net) represents, in gross terms, approximately 4.9 per cent of the amount appropriated. Annex I to the present report contains financial performance information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV contains a chart showing apportionment and expenditures by main budget groups.

Table 1
Apportionment and expenditure
(*Thousands of United States dollars*)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military personnel	18 213.9	18 357.1	(143.2)
Civilian personnel	5 553.9	4 952.2	601.7
Operational requirements	8 997.4	7 584.2	1 413.2
Other programmes	-	-	-
United Nations Logistics Base at Brindisi	-	281.4	(281.4)
Support account for peacekeeping operations	1 756.2	1 756.2	-
Staff assessment	878.7	731.4	147.3
Gross requirements	**35 400.1**	**33 662.5**	**1 737.6**
Income			
Staff assessment	(878.7)	(731.4)	(147.3)
Other	(15.0)	(15.0)	-
Subtotal	**(893.7)**	**(746.4)**	**(147.3)**
Net requirements	**34 506.4**	**32 916.1**	**1 590.3**
Voluntary contributions in kind (budgeted)	-	-	-
Voluntary contributions in kind (non-budgeted)	-	-	-
Total resources	**35 400.1**	**33 662.5**	**1 737.6**

[a] Includes an amount of $13,317,000 in unliquidated obligations.

8. Information on the deployment of military contingent and civilian personnel during the reporting period is presented in table 2 below and detailed in annex III.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1998 to 30 June 1999

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers			
Military contingents	1 037	1 034	-
Civilian police	-	-	-
International staff	36	33	8
Local staff	84	81	4
United Nations Volunteers	-	-	-

IV. Actions to be taken by the General Assembly at its fifty-fourth session

9. The action to be taken by the General Assembly in connection with the financing of UNDOF is a decision to credit Member States their respective share in the unencumbered balance of $1,737,600 gross ($1,590,300 net) for the period from 1 July 1998 to 30 June 1999.

Annex I

Financial performance report for the period from 1 July 1998 to 30 June 1999: summary statement

(Thousands of United States dollars)

Category of expenditure	*(1)* *Apportionment*[a]	*(2)* *Non-recurrent expenditures*	*(3)* *Total expenditures (inclusive of non-recurrent expenditures)*	*(4)=(1-3)* *Variance*
I. Military personnel				
1. Military observers	-	-	-	-
2. Military contingents	17 787.4	-	17 930.6	(143.2)
3. Other costs pertaining to military personnel				
(a) Contingent-owned equipment	126.5	-	126.5	-
(b) Self-sustainment	-	-	-	-
(c) Death and disability compensation	300.0	-	300.0	-
Subtotal, line 3	**426.5**	**-**	**426.5**	**-**
Total, category I	**18 213.9**	**-**	**18 357.1**	**(143.2)**
II. Civilian personnel				
1. Civilian police	-	-	-	-
2. International and local staff	5 553.9	-	4 952.2	601.7
3. United Nations Volunteers	-	-	-	-
4. Government-provided personnel	-	-	-	-
5. Civilian electoral observers	-	-	-	-
Total, category II	**5 553.9**	**-**	**4 952.2**	**601.7**
III. Operational requirements				
1. Premises/accommodation	1 514.5	312.1	1 300.5	214.0
2. Infrastructure repairs	-	-	-	-
3. Transport operations	4 550.5	1 305.7	3 159.7	1 390.8
4. Air operations	-	-	-	-
5. Naval operations	-	-	-	-
6. Communications	583.5	328.3	731.7	(148.2)
7. Other equipment	900.9	769.4	968.8	(67.9)
8. Supplies and services	1 288.0	-	1 235.1	52.9
9. Air and surface freight				
(a) Transport of contingent-owned equipment	-	-	-	-
(b) Commercial freight and cartage	160.0	-	188.4	(28.4)
Subtotal, line 9	**160.0**	**-**	**188.4**	**(28.4)**
Total, category III	**8 997.4**	**2 715.5**	**7 584.2**	**1 413.2**

Category of expenditure	(1) Apportionment[a]	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4)=(1-3) Variance
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	-	-	-	-
3. Training programmes	-	-	-	-
4. Mine-clearing programmes	-	-	-	-
5. Assistance for disarmament and	-	-	-	-
Total, category IV	-	-	-	-
V. United Nations Logistics Base at Brindisi	-	-	**284.1**	-
VI. Support account for peacekeeping operations	**1 756.2**	-	**1 756.2**	-
VII. Staff assessment	**878.7**	-	**731.4**	**147.3**
Gross requirements, categories I-VII	33 643.9	2 715.5	33 662.5	2 019.0
VIII. Income				
Staff assessment	(878.7)	-	(731.4)	(147.3)
Other	(15.0)	-	(15.0)	-
Total, category VIII	**(893.7)**	-	**(746.4)**	**(147.3)**
Net requirements, categories I-VIII	32 750.2	2 715.5	33 916.1	1 871.7
IX. Voluntary contributions in kind (budgeted)	-	-	-	-
X. Voluntary contributions in kind (non-budgeted)	-	-	-	-
Total	**33 643.9**	**2 715.5**	**33 662.5**	**2 019.0**

[a] Based on appropriation provided by General Assembly resolution 52/236.

Annex II

Supplementary information on significant variances

Military personnel

Apportionment: $18,213,900; expenditure: $18,357,100; variance: ($143,200)

1. The additional requirements of $143,200 were mainly attributable to the higher cost of necessary interim arrangements for the purchase of rations in the local market for the four months between the time the old contract expired and, after competitive bidding, the new contract was awarded; and to the need to make unbudgeted purchases of composite rations and bottled water for reserve stock. These additional requirements were offset in part by savings under travel subsistence allowance, as a result of reduced travel by contingent personnel to pick-up incoming shipments because of a new door-to-door delivery contract, and under emplacement, rotation and repatriation of troops owing to favourable rates obtained for the hire/charter of aircraft used for the rotation of military personnel during the period under review.

Civilian personnel

Apportionment: $5,553,900; expenditure: $4,945,200; variance: $601,700

2. The unencumbered balance under this heading was largely due to civilian staff vacancies (see para. 6 above). This savings was offset in part by unbudgeted additional requirements for travel of mission staff to Cyprus to participate in management negotiation skills training and for travel of a team from New York to UNDOF headquarters to install the Field Asset Control System (FACS), as well as to train staff at Camp Faouar on its use.

Operational requirements

Apportionment: $8,997,400; expenditure: $7,584,200; variance: $1,413,200

3. The net unutilized balance under this heading resulted from reduced requirements under premises/accommodation ($214,000), transport operations ($1,390,800) and supplies and services ($52,900), which were offset in part by additional requirements under communications ($148,200), other equipment ($67,900) and air and surface freight ($28,400).

Premises/accommodation

Apportionment: $1,514,500; expenditure: $1,300,500; variance: $214,000

4. The net unutilized balance of $214,000 was largely the result of lower than anticipated costs arising from favourable exchange rates experienced during the period under review for the purchase of maintenance supplies and services, construction materials and electricity. However, this savings was offset in part by additional expenditure incurred under construction/prefabricated buildings in connection with installation of central air-conditioning units in Camp Faouar.

Transport operations

Apportionment: $4,550,500; expenditure: $3,159,700; variance: $1,390,800

5. The unutilized balance of $1,390,800 under this heading resulted largely from favourable unit cost rates obtained for the purchase of vehicles from the system contract, the fact that 27 vehicles did not have to be purchased because of the transfer of some vehicles and spare parts from the United Nations Logistics Base at Brindisi and the lower than anticipated costs of workshop equipment, spare parts, petrol, oil and lubricants owing to favourable exchange rates.

Communications

Apportionment: $583,500; expenditure: $731,700; variance: ($148,200)

6. The net additional requirement of $148,200 was mainly attributable to the unbudgeted purchase of new field telephone sets, model TA312-PT, to replace the worn out FT 602/GY models, and the payment during the period under review of the cost of purchase orders raised in the 1996/1997 financial period for communications equipment whose obligation had inadvertently been allowed to lapse as at 30 June 1998.

Other equipment

Apportionment: $900,900; expenditure: $968,800; variance: ($67,900)

7. The net additional requirement of $67,900 under this heading was attributable to: (a) charging of unbudgeted purchases of computer hardware and software and the upgrading of the local computer network to ensure year 2000 compliance; and (b) unbudgeted replacement of non-serviceable kitchen stoves, washers and dryers. These additional requirements were partially offset by savings owing to favourable exchange rates which reduced expenditures under spare parts, repairs and maintenance.

Supplies and services

Apportionment: $1,288,000; expenditure: $1,235,100; variance: $52,900

8. The net unutilized balance of $52,900 under this heading resulted mainly from: (a) the charging of expenditures for the wages of local contractors as kitchen helpers which had been budgeted under contractual services against general temporary assistance under the civilian personnel budget line; (b) the receipt of miscellaneous items from the United Nations Logistics Base at Brindisi; and (c) favourable exchange rates which reduced expenditures under miscellaneous supplies and services items obtained in the local market. This unutilized balance was in part offset by additional requirements for losses on currency exchange transactions.

Air and surface freight

Apportionment: $160,000; expenditure: $188,400; variance: ($28,400)

9. The shortfall under this heading was the result of the cost of customs clearance in Lebanon and Syria of UNDOF vehicles which were inadvertently shipped to UNIFIL, as well as the unbudgeted shipping costs of vehicles and other items obtained from the United Nations Logistics Base at Brindisi.

United Nations Logistics Base at Brindisi

Apportionment: none; expenditure: $281,400; variance: ($281,400)

10. The expenditure of $281,400 represents the prorated share of UNDOF for the cost of maintaining the United Nations Logistics Base at Brindisi for the reporting period, based on General Assembly resolution 52/1 B of 26 June 1998.

Support account for peacekeeping operations

Apportionment: $1,756,200; expenditure: $1,756,200; variance: none

11. The amount authorized has been fully transferred to the support account for peacekeeping operations.

Staff assessment

Apportionment: $878,700; expenditure: $731,400; variance: $147,300

12. The unutilized balance of $147,300 was mainly the result of lower than planned deployment of civilian personnel.

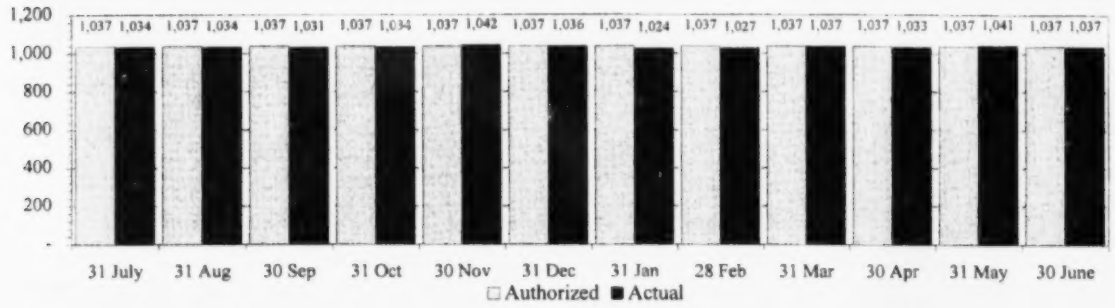
Income from staff assessment

13. This amount is derived from staff assessment (see para. 12 above).

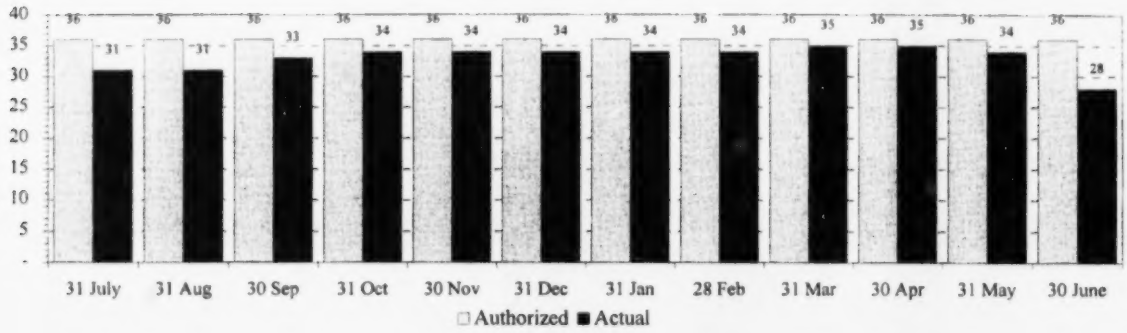
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 1998 to 30 June 1999

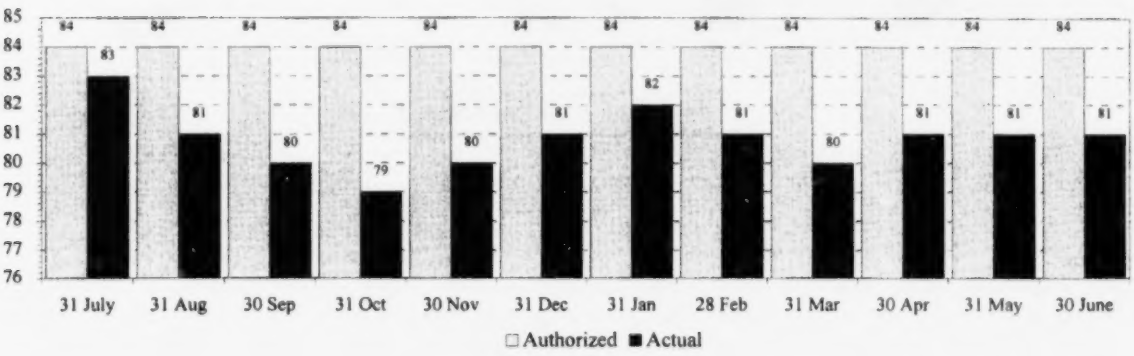
1. Military contingents



2. International staff

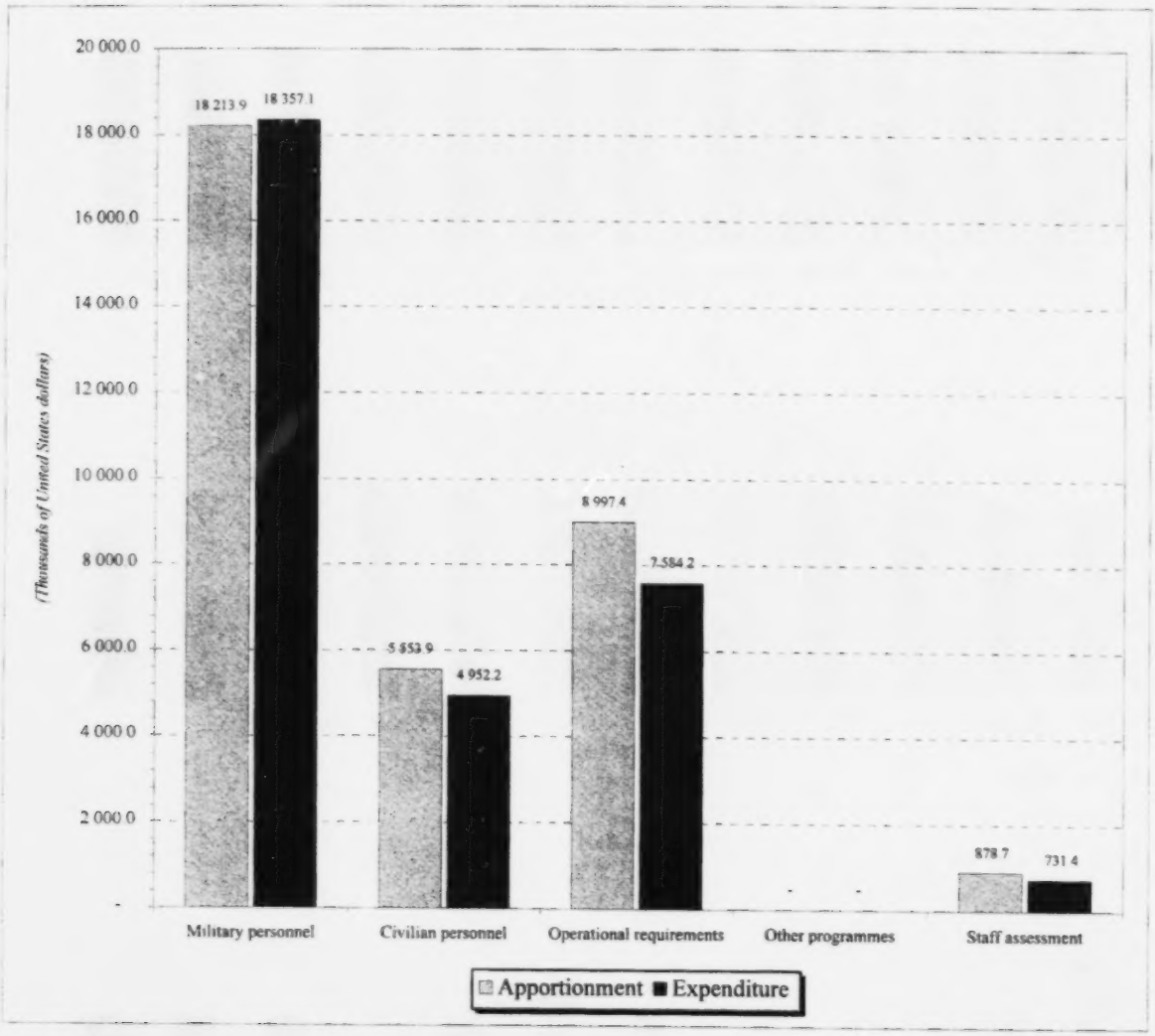


3. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 1998 to 30 June 1999



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Financing of the United Nations peacekeeping forces in the Middle East: United Nations Interim Force in Lebanon

Financing of the United Nations Interim Force in Lebanon

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 July 1998 to 30 June 1999. The General Assembly, by its resolution 52/237 of 26 June 1998, appropriated an amount of $142,984,560 gross ($139,133,160 net) for the period.

Expenditures for the period totalled $134,655,200 gross ($131,048,500 net), resulting in an unencumbered balance of $8,329,300 gross ($8,084,600 net).

The unencumbered balance was due largely to actual troop strength being lower than budgeted, a high vacancy rate for civilian staff caused by the temporary assignment of experienced UNIFIL international staff to assist in other peacekeeping missions, savings under purchase of vehicles because of better unit cost rates, and receipt of other vehicles, equipment and supplies from the United Nations Logistics Base at Brindisi, Italy, and other peacekeeping missions, which reduced budgeted expenditures. The unencumbered balance was partially offset by additional requirements arising from the need to replace and upgrade the mission's computer hardware and software to ensure year 2000 compliance.

The action to be taken by the General Assembly in connection with the financing of the mission is a decision on the treatment of the unencumbered balance of $8,329,300 gross ($8,084,600 net) for the period from 1 July 1998 to 30 June 1999.

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Contents

		Paragraphs	*Page*
I.	Introduction	1–4	3
II.	Implementation of the budget	5–11	3
III.	Financial performance report for the period from 1 July 1998 to 30 June 1999	12–13	4
IV.	Action to be taken by the General Assembly at its fifty-fourth session	14	5
Annexes			
I.	Financial performance report for the period from 1 July 1998 to 30 June 1999: summary statement		6
II.	Supplementary information on significant variances		8
III.	Planned and actual deployment of military and civilian personnel for the period from 1 July 1998 to 30 June 1999		11
IV.	Apportionment and expenditure for the period from 1 July 1998 to 30 June 1999		12

I. Introduction

1. The United Nations Interim Force in Lebanon (UNIFIL) was established for an initial period of six months by the Security Council in its resolution 425 (1978) of 19 March 1978. The mandate of the Force has subsequently been extended by the Council in various resolutions, the latest of which was resolution 1254 (1999) of 30 July 1999, by which the Council extended the mandate of UNIFIL until 31 January 2000.

2. The budget for the maintenance of UNIFIL for the period from 1 July 1998 to 30 June 1999 was set out in the report of the Secretary-General dated 25 February 1998 (A/52/806) and amounted to $136,719,500 gross ($132,706,000 net). It provided for maintenance of the Force, consisting of 4,513 troops (3,518 infantry and 995 logistical), supported by a civilian establishment of 528 (146 international and 382 Local level) posts. In the same report, the Secretary-General proposed a total of 49 additional posts, comprising 11 additional Local level posts in support of core functions of the mission and 38 for service personnel who were hired as local contractors on a temporary basis.

3. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 18 of its report of 6 April 1998 (A/52/860/Add.6), recommended that of the 49 posts requested, 11 posts providing core support functions be established as regular local posts and that 38 additional service personnel should continue as short-term contractual staff, with a consequential reduction of $887,600 in the proposed appropriation. On that basis, the Advisory Committee recommended that the General Assembly appropriate $135,831,900 gross for the period from 1 July 1998 to 30 June 1999.

4. The General Assembly, by its resolution 52/237 of 26 June 1998, appropriated $142,984,560 gross ($139,133,160 net) for the maintenance of UNIFIL for the period from 1 July 1998 to 30 June 1999, including $7,152,660 for the support account for peacekeeping operations. This amount has been assessed on Member States.

II. Implementation of the budget

5. Information on the operation of UNIFIL during the period under review is contained in the reports of the Secretary-General to the Security Council dated 16 July 1998 (S/1998/652), 19 January 1999 (S/1999/61) and 21 July 1999 (S/1999/807).

6. In response to an increase in the level of operational activity in the area of operations, with firings into and close to United Nations positions that resulted in death, injury and destruction of facilities and equipment, UNIFIL decided to construct a multi-function reinforced concrete building at position 6-27 in the Irish battalion area of operations, to seal and asphalt a number of access roads to isolated United Nations positions in the Nepalese and Finnish battalion areas of operations and to accelerate the phased programme for purchasing level-III fragmentation jackets. These unbudgeted expenditures were funded through the redeployment of funds under various other budget lines. The phased programme of multi-function reinforced concrete building construction, road sealing and fragmentation jacket purchases was also carried forward to the next financial period, 1 July 1999 to 30 June 2000.

7. Costs related to the unexpected repatriation of the Norwegian battalion and the replacement of the Indian battalion, which resulted in unbudgeted expenditures, were also met through the redeployment of funds.

8. The mission completed an inventory of all United Nations and contingent-owned equipment. UNIFIL took the opportunity of the battalion changeover to commence a phased replacement of military-pattern VHF radios with less expensive civilian radios, which is being continued. The network was installed, largely with surplus equipment from the United Nations Logistics Base at Brindisi, Italy, and coincided with the deployment of the Indian battalion.

9. In order to resolve continued difficulties in maintaining the operational reliability of the RG31 armoured personnel carriers, UNIFIL entered into a one-time maintenance support contract with the manufacturer's representative for 180 person-days. During this period, the fleet of 30 RG31 armoured personnel carriers received a full technical assessment on requirements for maintenance and modification. In addition, training was provided for drivers and mechanics.

10. Additional data-processing equipment was purchased to replace hardware and software that was not year 2000-compliant. New software applications were introduced (the field assets control system, Word and Excel), and a computer specialist contractor was hired to rewire and upgrade the local area network applications.

11. Savings were realized under rations because between the expiry of the old rations contract, which ended on 30 September 1998, and the time taken to undertake competitive bidding and to award the new rations contract on 1 February 1999 (which was actually in place on 1 April 1999), interim arrangements were made for the purchase of dry and frozen rations locally, as well as for the use of reserve stock rations. Savings under rental of premises were also realized owing to the reimbursement by the Government of Lebanon of the rental charge of $132,000 for UNIFIL House in Beirut for the reporting period. However, part of the overall unutilized balance under various categories of expenditure was used to fund the mission's share of financing the United Nations Logistics Base.

III. Financial performance report for the period from 1 July 1998 to 30 June 1999

12. As indicated in table 1 below, from the appropriation of $142,984,560 gross ($139,133,100 net) for the period from 1 July 1998 to 30 June 1999, expenditures amounted to $134,655,200 gross ($131,048,500 net), including $52,136,300 in unliquidated obligations. The resulting unencumbered balance of $8,329,300 gross ($8,084,600 net) represents, in gross terms, approximately 5.8 per cent of the amount appropriated. Annex I to the present report contains financial performance information for the reporting period by budget line item, with supplementary information on significant variances given in annex II. Annex IV contains a chart showing apportionment and expenditures by the main budget groups.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military personnel	78 534.1	76 149.7	2 384.4
Civilian personnel	25 623.3	22 285.8	3 337.5
Operational requirements	27 840.1	24 274.6	3 565.5

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Other programmes	2.9	59.7	(56.8)
United Nations Logistics Base at Brindisi	-	1 146.0	(1 146.0)
Support account for peacekeeping operations	7 152.7	7 152.7	-
Staff assessment	3 831.4	3 586.7	244.7
Gross requirements	**142 984.5**	**134 655.2**	**8 329.3**
Income			
Staff assessment	(3 831.4)	(3 586.7)	(244.7)
Other	(20.0)	(20.0)	-
Subtotal	**(3 851.4)**	**(3 606.7)**	**(244.7)**
Net requirements	**139 133.1**	**131 048.5**	**8 084.6**
Voluntary contributions in kind (budgeted)	-	-	-
Voluntary contributions in kind (non-budgeted)	132	132	-
Total resources	**143 116.5**	**134 787.2**	**8 329.3**

[a] Includes $52,136,300 in unliquidated obligations.

13. Information on the deployment of military and civilian personnel during the reporting period is given in table 2 and annexes II and III.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1998 to 30 June 1999

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers	-	-	-
Military contingents	4 513	4 499	-
Civilian police	-	-	-
International staff	146	125	14
Local staff	344	344	-
United Nations Volunteers	-	-	-

IV. Action to be taken by the General Assembly at its fifty-fourth session

14. **The action to be taken by the General Assembly in connection with the financing of UNIFIL is to decide on the treatment of the unencumbered balance of $8,329,300 gross ($8,084,600 net) for the period from 1 July 1998 to 30 June 1999.**

Annex I

Financial performance report for the period from 1 July 1998 to 30 June 1999: summary statement

(Thousands of United States dollars)

Category of expenditure	(1) Apportionment[a]	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) (1-3) Variance
I. Military personnel				
1. Military observers	-	-	-	-
2. Military contingents	77 516.0	-	75 131.6	2 384.4
3. Other requirements pertaining to military personnel				
(a) Contingent-owned equipment	18.1	-	18.1	-
(b) Self-sustainment	-	-	-	-
(c) Death and disability compensation	1 000.0	-	1 000.0	-
Subtotal, line 3	**1 018.1**	**-**	**1 018.1**	**-**
Total, category I	**78 534.1**	**-**	**76 149.7**	**2 384.4**
II. Civilian personnel				
1. Civilian police	-	-	-	-
2. International and local staff	25 623.3	-	22 285.8	3 337.5
3. United Nations Volunteers	-	-	-	-
4. Government-provided personnel	-	-	-	-
5. Civilian electoral observers	-	-	-	-
Total, category II	**25 623.3**	**-**	**22 285.8**	**3 337.5**
III. Operational requirements				
1. Premises/accommodation	2 941.5	1 504.6	2 866.5	75.0
2. Infrastructure repairs	-	-	-	-
3. Transport operations	14 937.1	4 127.4	11 273.6	3 663.5
4. Air operations	1 207.5	-	1 240.7	(33.2)
5. Naval operations	-	-	-	-
6. Communications	2 016.3	982.2	1 839.1	177.2
7. Other equipment	2 463.4	1 995.7	3 097.4	(634.0)
8. Supplies and services	3 942.3	-	3 517.3	425.0
9. Air and surface freight				
(a) Transport of contingent-owned equipment	-	-	-	-
(b) Commercial freight and cartage	332.0	-	440.0	(108.0)
Total, category III	**27 840.1**	**8 609.9**	**24 274.6**	**3 565.5**

	(1) Apportionment[a]	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) (1-3) Variance
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	-	-	-	-
3. Training programmes	2.9	-	59.7	(56.8)
4. Mine-clearing programmes	-	-	-	-
5. Assistance for disarmament and demobilization	-	-	-	-
Total, category IV	**2.9**	-	**59.7**	**(56.8)**
V. United Nations Logistics Base at Brindisi	-	-	**1 146.0**	**(1 146.0)**
VI. Support account for peacekeeping operations	**7 152.7**	-	**7 152.7**	-
VII. Staff assessment	**3 831.4**	-	**3 586.7**	**244.7**
Gross requirements, categories I-VII	142 984.5	8 609.9	134 655.2	8 329.3
VIII. Income				
Staff assessment	(3 831.4)	-	(3 586.7)	(244.7)
Other	(20.0)	-	(20.0)	-
Total, category VIII	**(3 851.4)**	-	**(3 606.7)**	**(244.7)**
Net requirements, categories I-VIII	139 133.1	8 609.9	131 048.5	8 084.6
IX. Voluntary contributions in kind (budgeted)	-	-	-	-
X. Voluntary contributions in kind (non-budgeted)	**132.0**	**132.0**	**132.0**	-
Total	**143 116.5**	**8 741.9**	**134 787.2**	**8 329.3**

[a] Based on appropriation provided by General Assembly resolution 52/237.

Annex II

Supplementary information on significant variances

Military personnel

Apportionment: $78,534,100; expenditure: $76,149,700; variance: $2,384,400

1. The unutilized balance of $2,384,400 was attributable mainly to savings resulting from the lower actual costs for rations, as explained in paragraph 11 of the main report. Those savings were offset in part by additional requirements under emplacement, rotation and repatriation of troops to cover the unexpected cost of repatriating the Norwegian battalion and its replacement by the Indian battalion during the period under review.

Civilian personnel

Apportionment: $25,623,300; expenditure: $22,285,800; variance: $3,337,500

2. The unutilized balance of $3,337,500 under this heading was due to the vacancy rate of 14 per cent for international staff (as compared with the budgeted rate of 5 per cent) and was attributable to the temporary assignment of experienced UNIFIL international staff to other peacekeeping missions. This unutilized balance was offset in part by additional requirements under travel relating to unbudgeted travel of staff for contract negotiations for the dry and frozen food contract and participation in technical training conducted at the United Nations Logistics Base at Brindisi, Italy, for engineers and radio technicians.

Operational requirements

Apportionment: $27,840,100; expenditure: $24,274,600; variance: $3,565,500

3. The net unutilized balance of $3,565,500 under this heading resulted from reduced requirements under premises/accommodation ($75,000), transport operations ($3,663,500), communications ($177,200) and supplies and services ($425,000), which were offset in part by additional requirements under air operations ($33,200), other equipment ($634,000) and air and surface freight ($108,000).

Premises/accommodation

Apportionment: $2,941,500; expenditure: $2,866,500; variance: $75,000

4. The net unutilized balance was due largely to savings arising from reimbursement by the Government of Lebanon of the rental charges for UNIFIL House in Beirut and reduced requirements under maintenance supplies, some items of which were obtained from the United Nations Logistics Base. However, those savings were partially offset by additional requirements under maintenance services, utilities and construction/prefabricated buildings owing to the urgent need to asphalt and seal the access roads to isolated positions in the Finnish and Nepalese battalion areas of operation in order to improve security and access and the need to asphalt the storage facilities area at UNIFIL headquarters.

Transport operations

Apportionment: $14,937,100; expenditure: $11,273,600; variance: $3,663,500

5. The unutilized balance of $3,663,500 under this heading resulted largely from: (a) the transfer of 10 heavy vehicles and spare parts from United Nations Logistics Base; (b) a favourable unit cost of vehicles purchased compared to budgeted unit rates as a result of using a system contract; (c) favourable discounts received from some major spare parts suppliers; (d) payment of lower prices for diesel fuel, gasoline and kerosene; and (e) payment of lower vehicle insurance premiums for general-purpose vehicles.

Air operations

Apportionment: $1,207,500; expenditure: $1,240,700; variance: ($33,200)

6. The additional requirement under this heading was due mainly to a higher actual premium cost than budgeted for liability and war-risk insurance for helicopters.

Communications

Apportionment: $2,016,300; expenditure: $1,839,100; variance: $177,200

7. The net unutilized balance of $177,200 was attributable to: (a) the phased replacement of military-pattern VHF radios with civilian-pattern radios and the purchase of a smaller number of portable radio sets, common type 77; and (b) lower actual commercial communication costs as a result of obtaining more favourable rates from newly established companies in the commercial communication market during the reporting period.

Other equipment

Apportionment: $2,463,400; expenditure: $3,097,400; variance: ($634,000)

8. The net additional requirements of $634,000 under this heading were attributable to: (a) the unbudgeted purchase of computer hardware and software and upgrading of the local computer network to ensure year 2000 compliance; (b) the unforeseen replacement of the UNIFIL hospital's X-ray machine based on the recommendation of the United Nations medical unit; (c) purchase of certain medical items, furniture and catering equipment at favourable prices offered by the Norwegian battalion at the time of its repatriation; (d) urgent replacement of lighting for the helicopter pads, observation posts and checkpoints; and (e) replacement of mine detectors and air conditioners. The additional requirements were partially offset by savings under spare parts as a result of the receipt of items, including fire-fighting equipment, from the Logistics Base and the non-purchase of spare parts for air conditioners.

Supplies and services

Apportionment: $3,942,300; expenditure: $3,517,300; variance: $425,000

9. The net unutilized balance of $425,000 under this heading resulted mainly from the receipt of medical supplies, uniforms, flags and decals and miscellaneous items from the Logistics Base and savings derived from stringent controls and careful monitoring of warehouse stocks and holdings throughout UNIFIL for all the miscellaneous items under supplies and services. The unutilized balance was partially offset by additional requirements under stationery and office supplies and losses due to the revaluation of currencies and exchange transactions resulting from payments made in other currencies.

Air and surface freight

Apportionment: $332,000; expenditure: $440,000; variance: ($108,000)

10. The shortfall under this heading was due to the late cancellation of unliquidated obligations for which corrective action was taken in October 1999.

Other programmes

Training programmes

Apportionment: $2,900; expenditure: $59,700; variance: ($56,800)

11. Unbudgeted expenditures were incurred in connection with sending of UNIFIL technical, financial and managerial staff to participate in data-processing training at the Logistics Base, Sun accounting system training at Cyprus and Brindisi and negotiation skills training in Cyprus.

United Nations Logistics Base at Brindisi

Apportionment: none; expenditure: $1,146,000; variance: ($1,146,000)

12. The expenditure of $1,146,000 represents the prorated share of UNIFIL for the cost of maintaining the Logistics Base during the reporting period, in accordance with General Assembly resolution 52/1 B of 26 June 1998.

Staff assessment

Apportionment: $3,831,400; expenditure: $3,586,700; variance: $244,700

13. The unutilized balance of $244,700 was due mainly to the overall vacancy rate of 14 per cent in respect of international staff, which exceeded the anticipated overall vacancy rate of 5 per cent used in the original cost estimates for international staff.

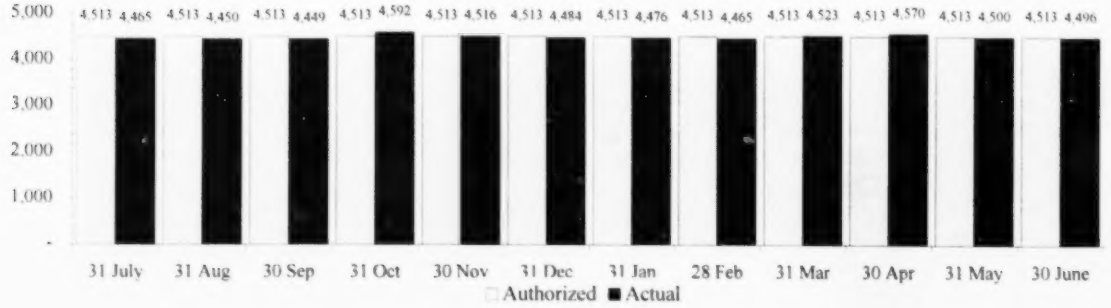
Income from staff assessment

14. This amount is derived from staff assessment (see para. 13).

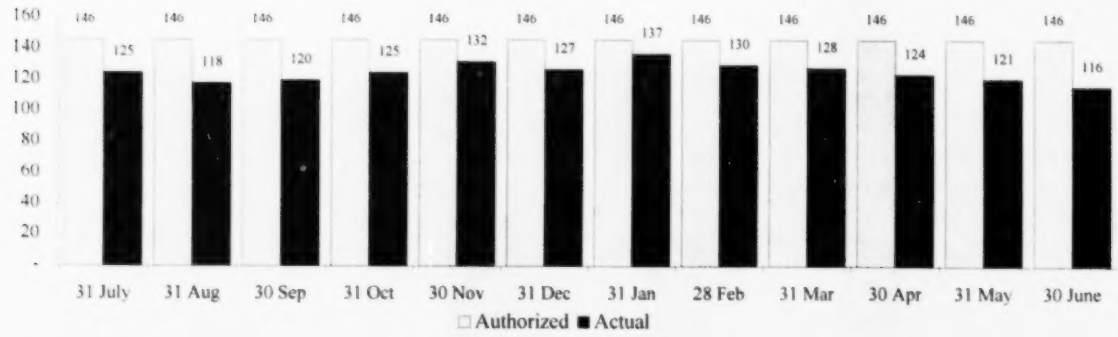
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 1998 to 30 June 1999

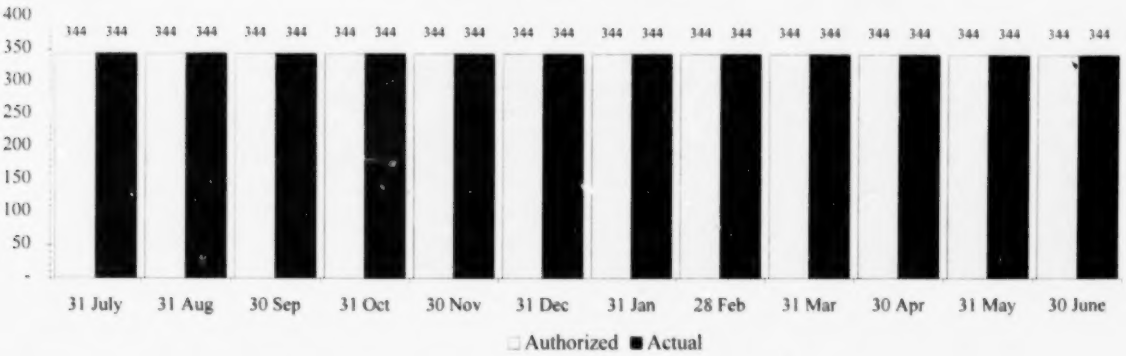
1. Military contingents



2. International staff

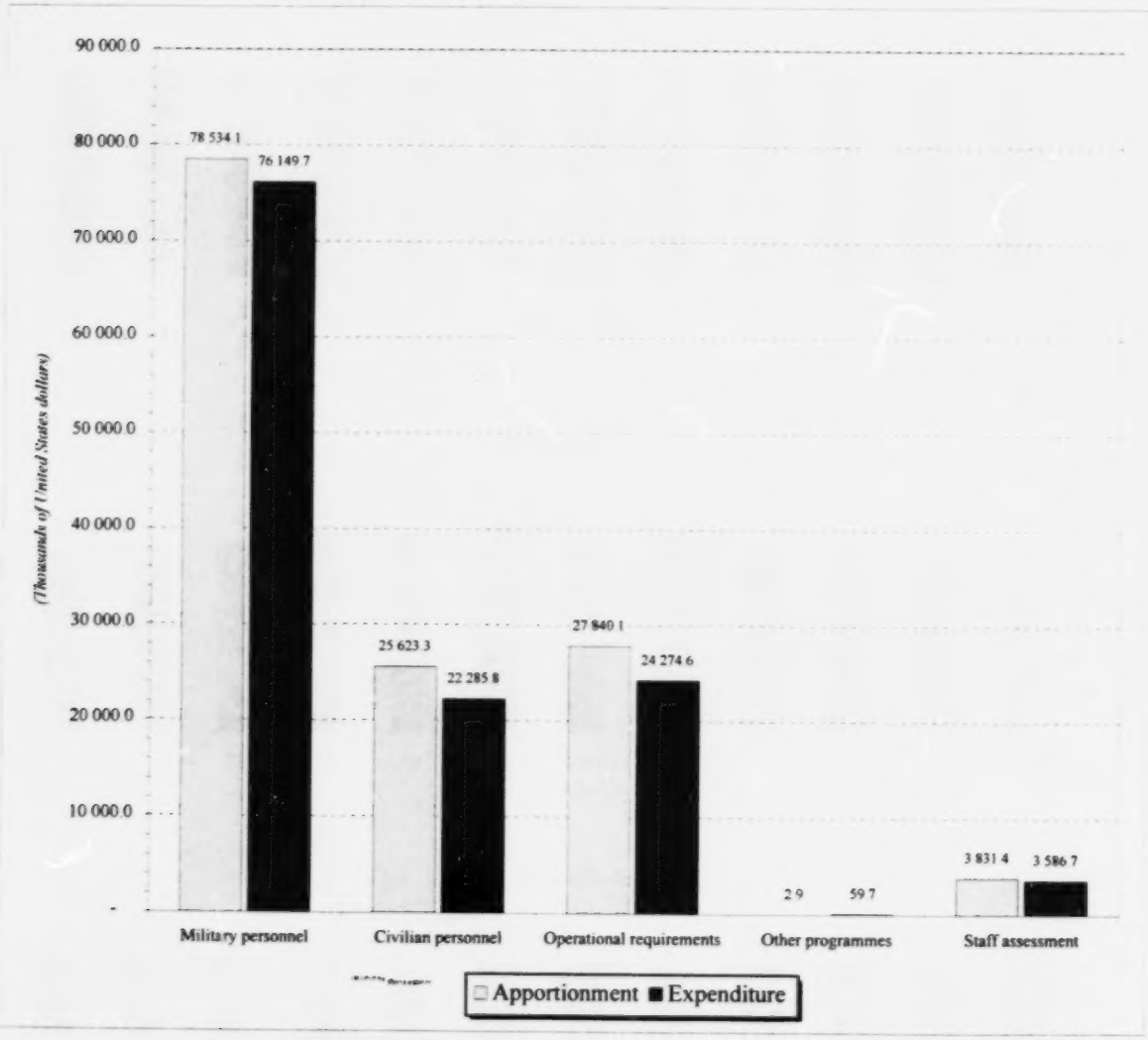


3. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 1998 to 30 June 1999



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Agenda item 130 (a)
Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

Financing of the activities arising from Security Council resolution 687 (1991): United Nations Iraq-Kuwait Observation Mission

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Iraq-Kuwait Observation Mission for the period from 1 July 1998 to 30 June 1999. The General Assembly, by its resolution 52/238 of 26 June 1998, appropriated an amount of $52,143,800 gross ($50,255,600 net) for the period.

Expenditures for the period totalled $49,960,900 gross ($48,323,700 net), resulting in an unencumbered balance of $2,182,900 gross ($1,931,900 net).

The unencumbered balance resulted mainly from lower travel costs for military observers, a higher vacancy rate for civilian personnel, reduced air operations requirements and the early termination of the contract for the fixed-wing aircraft because of the closure of Iraqi airspace. Savings were also realized from reduced requirements under supplies and services.

The action to be taken by the General Assembly in connection with the financing of UNIKOM is a decision on the treatment of the unencumbered balance of $2,182,900 gross ($1,931,900 net) for the period from 1 July 1998 to 30 June 1999.

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Contents

		Paragraphs	Page
I.	Introduction	1–3	3
II.	Implementation of the budget	4–9	3
III.	Financial performance report for the period from 1 July 1998 to 30 June 1999	10–11	4
IV.	Action to be taken by the General Assembly at its fifty-fourth session	12	5
Annexes			
I.	Financial performance report for the period from 1 July 1998 to 30 June 1999: summary statement		6
II.	Supplementary information on significant variances		8
III.	Planned and actual deployment of civilian and military personnel for the period from 1 July 1998 to 30 June 1999		11
IV.	Apportionment and expenditure for the period from 1 July 1998 to 30 June 1999		13

I. Introduction

1. The United Nations Iraq-Kuwait Observation Mission (UNIKOM) was established by the Security Council in accordance with its resolution 687 (1991) of 3 April 1991. In its resolution 689 (1991) of 9 April 1991, the Council decided to review the question of the termination or continuation of UNIKOM, as well as the modalities of its operation, every six months. The latest review was on 6 October 1999, and the President of the Security Council informed the Secretary-General that the Council concurred with the recommendation to maintain UNIKOM and would review the question once again by 6 April 2000 (S/1999/1033).

2. The budget for the maintenance of UNIKOM for the period from 1 July 1998 to 30 June 1999 was set out in the report of the Secretary-General dated 10 March 1998 (A/52/824) and amounted to $50,611,300 gross ($48,545,600 net). It provided for the maintenance of 195 military observers and 908 troops (775 infantry and 133 support personnel), supported by 72 international staff and 166 locally recruited staff. The budget also included provision for operational costs and related requirements. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 32 of its report of 8 April 1998 (A/52/860/Add.7 and Corr.1), recommended that the General Assembly appropriate an amount of $49,525,400 gross ($47,637,200 net) for the period from 1 July 1998 to 30 June 1999.

3. The General Assembly, by its resolution 52/238 of 26 June 1998, appropriated an amount of $52,143,800 gross ($50,255,600 net) for the maintenance of UNIKOM for the period from 1 July 1998 to 30 June 1999, inclusive of $2,618,400 for the support account for peacekeeping operations for the same period. Taking into account the two-thirds share of the net amount, equivalent to $33,503,700, to be funded through voluntary contributions from the Government of Kuwait, an amount of $18,640,100 gross ($16,751,900 net) has been assessed on Member States.

II. Implementation of the budget

4. The Mission's concept of operations during the period from 1 July 1998 to 30 June 1999 was based on a combination of patrol and observation bases, observation points, ground and air patrols, investigation teams and liaison with the parties at all levels.

5. The operational requirements of the Mission were met during the financial period under review and there were accordingly no operational shortcomings or slippage during the implementation of the approved budget.

6. The unspent balance was primarily attributable to higher vacancy rates for international and local staff than originally estimated. While the budget estimates provided for a vacancy factor of 5 per cent for the authorized staffing of 72 international and 166 local posts, the actual vacancy rates during the reporting period averaged 18 per cent for international posts and 11 per cent for local posts. Consequently, this experience was reflected in the proposed budget for the period from 1 July 1999 to 30 June 2000 by way of the inclusion of a 10 per cent vacancy factor in the cost estimates for international and local staff.

7. Unutilized balances under fixed-wing aircraft resulted from the lower number of hours flown by the Antonov AN-26 from the beginning of the period until the termination of its charter in March 1999, owing to the closure of Iraqi airspace in December 1998 and to the cost-sharing arrangements with the United Nations Office of the Humanitarian Coordinator

for Iraq. The cost-sharing arrangements call for the reimbursement to UNIKOM by that Office of charges for actual hours flown and fuel use in respect of its operations. Savings were also realized under landing fees and ground handling owing to the reduced level of air operations by UNIKOM.

8. Unspent balances under miscellaneous services were attributable to lower actual costs for contractual services as well as nominal actual requirements under claims and adjustments.

9. Unutilized resources were offset in part by unbudgeted requirements for the replacement of electronic data-processing systems to ensure year 2000 compliance and the Mission's share of the financing of the United Nations Logistics Base at Brindisi, Italy, for the period.

III. Financial performance report for the period from 1 July 1998 to 30 June 1999

10. As indicated in table 1, from the appropriation of $52,143,800 gross ($50,255,600 net) for the period from 1 July 1998 to 30 June 1999, expenditures amounted to $49,960,900 gross ($48,323,700 net), inclusive of $15,110,100 in unliquidated obligations. The resulting unspent balance of $2,182,900 gross ($1,931,900 net) represents, in gross terms, some 4 per cent of the appropriation. Annex I to the present report contains the financial performance information for the reporting period by budget line item. Supplementary information on significant variances is presented in annex II. Annex IV provides a chart on apportionment and expenditure by main budget group.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditures*[a]	*Variance*
Military personnel	24 826.6	24 735.7	90.9
Civilian personnel	12 966.5	11 513.1	1 453.4
Operational requirements	9 834.1	8 997.0	837.1
Other programmes	10.0	40.0	(30.0)
United Nations Logistics Base at Brindisi	–	419.5	(419.5)
Support account for peacekeeping operations	2 618.4	2 618.4	–
Staff assessment	1 888.2	1 637.2	251.0
Gross requirements	**52 143.8**	**49 960.9**	**2 182.9**
Income from staff assessment	(1 888.2)	(1 637.2)	(251.0)
Net requirements	**50 255.6**	**48 323.7**	**1 931.9**
Voluntary contributions in kind (budgeted)	–	–	–
Voluntary contributions in kind (non-budgeted)	–	–	–
Total resources	**52 143.8**	**49 960.9**	**2 182.9**

[a] Includes an amount of $15,110,100 in unliquidated obligations.

11. Information on the deployment of military and civilian personnel during the reporting period is presented in table 2 and in detail in annex III.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1998 to 30 June 1999

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers	195	195	–
Military contingents	908	907	–
International staff	72	59	18
Local staff	166	147	11

IV. Action to be taken by the General Assembly at its fifty-fourth session

12. The action to be taken by the General Assembly in connection with the financing of UNIKOM is a decision on the treatment of the unencumbered balance of $2,182,900 gross ($1,931,900 net) for the period from 1 July 1998 to 30 June 1999.

Annex I

Financial performance report for the period from 1 July 1998 to 30 June 1999: summary statement

(Thousands of United States dollars)

Category of expenditure	*(1)* *Apportionment[a]*	*(2)* *Non-recurrent expenditures*	*(3)* *Total expenditures (inclusive of non-recurrent expenditures)*	*(4) = (1-3)* *Variance*
I. Military personnel				
1. Military observers	7 215.6	–	7 074.2	141.4
2. Military contingents	15 822.9	–	15 873.4	(50.5)
3. Other requirements pertaining to military personnel				
(a) Contingent-owned equipment	1 346.9	–	1 346.9	–
(b) Self-sustainment	–	–	–	–
(c) Death and disability compensation	441.2	–	441.2	–
Subtotal, line 3	**1 788.1**	**–**	**1 788.1**	**–**
Total, category I	**24 826.6**	**–**	**24 735.7**	**90.9**
II. Civilian personnel				
1. Civilian police	–	–	–	–
2. International and local staff	12 966.5	–	11 513.1	1 453.4
3. United Nations Volunteers	–	–	–	–
4. Government-provided personnel	–	–	–	–
5. Civilian electoral observers	–	–	–	–
Total, category II	**12 966.5**	**–**	**11 513.1**	**1 453.4**
III. Operational requirements				
1. Premises/accommodation	800.6	268.7	777.7	22.9
2. Infrastructure repairs	30.0	29.6	29.6	0.4
3. Transport operations	3 051.5	1 266.6	2 999.5	52.0
4. Air operations	3 349.5	–	2 631.9	717.6
5. Naval operations	–	–	–	–
6. Communications	667.5	324.3	619.0	48.5
7. Other equipment	645.5	603.7	836.7	(191.2)
8. Supplies and services	1 189.5	–	1 022.9	166.6
9. Air and surface freight				
(a) Transport of contingent-owned equipment	–	–	–	–

Category of expenditure	(1) Apportionment[a]	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4)=(1-3) Variance
(b) Commercial freight and cartage	100.0	–	79.7	20.3
Subtotal, line 9	**100.0**	**–**	**79.7**	**20.3**
Total, category III	**9 834.1**	**2 492.9**	**8 997.0**	**837.1**
IV. Other programmes				
1. Election-related supplies and services	–	–	–	–
2. Public information programmes	–	–	–	–
3. Training programmes	10.0	–	40.0	(30.0)
4. Mine-clearing programmes	–	–	–	–
5. Assistance for disarmament and demobilization	–	–	–	–
Total, category IV	**10.0**	**–**	**40.0**	**(30.0)**
V. United Nations Logistics Base at Brindisi	–	–	**419.5**	**(419.5)**
VI. Support account for peacekeeping operations	**2 618.4**	**–**	**2 618.4**	**–**
VII. Staff assessment	**1 888.2**	**–**	**1 637.2**	**251.0**
Gross requirements, categories I-VII	52 143.8	2 492.9	49 960.9	2 182.9
VIII. Income from staff assessment	**(1 888.2)**	**–**	**(1 637.2)**	**(251.0)**
Net requirements, categories I-VIII	50 255.6	2 492.9	48 323.7	1 931.9
IX. Voluntary contributions in kind (budgeted)	–	–	–	–
X. Voluntary contributions in kind (non-budgeted)	–	–	–	–
Total	**52 143.8**	**2 492.9**	**49 960.9**	**2 182.9**

[a] Based on appropriation provided by General Assembly resolution 52/238

Annex II

Supplementary information on significant variances

Military personnel

Apportionment: $24,826,600; expenditure: $24,735,700; variance: $90,900

1. The unutilized balance of $90,900 resulted from savings under military observers ($141,400) which were offset in part by additional requirements under military contingents ($50,500). Savings realized under military observers were attributable to the actual average cost of rotation ($3,000) being lower than originally estimated ($4,000). However, these savings were offset in part by actual rotation costs for military support personnel ($2,100) being higher than originally estimated ($1,400).

Civilian personnel

International and local staff

Apportionment: $12,966,500; expenditure: $11,513,100; variance: $1,453,400

2. The unutilized balance of $1,453,400 under this heading was attributable to higher vacancy rates for international and local staff. Against budget estimates that included a 5 per cent vacancy factor, actual vacancy rates were 18 per cent for international staff and 11 per cent for local staff. Actual incumbency during the reporting period averaged 59 international and 147 local staff against an authorized staffing of 72 international and 166 local posts.

Operational requirements

Air operations

Apportionment: $3,349,500; expenditure: $2,631,900; variance: $717,600

3. The unutilized balance of $95,500 under helicopter operations was attributable to (a) actual hours flown (2,157) being slightly lower than originally planned (2,160); (b) actual fuel consumption (57,600 litres per month) being lower than the estimate (64,800 litres per month); and (c) the actual average fuel cost ($0.20 per litre) being slightly lower than originally estimated ($0.23 per litre).

4. The unutilized amounts of $513,800 under fixed-wing aircraft and $108,300 under other air operations requirements were primarily attributable to the closure of Iraqi airspace effective December 1998. This development resulted in the termination of the contract for the Antonov AN-26 aircraft from March 1999, which led to concomitant reductions in requirements for flight hours, aviation fuel, liability insurance and landing fees and ground handling. Against a total of 660 block hours planned, actual hours flown totalled 355, comprising 93 for UNIKOM operations and 262 for the operations of the United Nations Office of the Humanitarian Coordinator for Iraq. Under cost-sharing arrangements, the Office reimburses UNIKOM for the costs of actual hours flown and aircraft fuel consumed during its operations.

Other equipment

Apportionment: $645,500; expenditure: $836,700; variance: ($191,200)

5. Additional requirements of $191,200 were primarily attributable to unbudgeted requirements including (a) the upgrade of the UNIKOM network at Umm Qasr; (b) the purchase of an identification system for the Identification and Pass Unit; and (c) further replacement of worn or obsolete data-processing systems to ensure year 2000 compliance.

Supplies and services

Apportionment: $1,189,500; expenditure: $1,022,900; variance: $166,600

6. The unutilized balance of $166,600 under this heading was mainly attributable to lower actual costs for contractual services, including laundry, grounds maintenance, janitorial services and waste disposal. Savings were also realized from nominal actual requirements under claims and adjustments. However, some of these savings were offset by higher requirements for bank and related charges and losses on currency exchange fluctuations.

Air and surface freight

Apportionment: $100,000; expenditure: $79,700; variance: $20,300

7. The unutilized balance of $20,300 resulted from lower actual costs of freight and related charges during the period.

Other programmes

Training programmes

Apportionment: $10,000; expenditure: $40,000; variance: ($30,000)

8. Additional requirements of $30,000 under miscellaneous services resulted from additional and unbudgeted requirements for technical training courses undertaken by UNIKOM personnel in the areas of air operations, communications and electronic data-processing systems.

United Nations Logistics Base at Brindisi

Apportionment: none; expenditure: $419,500; variance: ($419,500)

9. The expenditure of $419,500 represents the UNIKOM prorated share of the cost of maintaining the United Nations Logistics Base at Brindisi for the reporting period, based on General Assembly resolution 52/1 B of 26 June 1998.

Staff assessment

Apportionment: $1,888,200; expenditure: $1,637,200; variance: $251,000

10. The unutilized balance of $251,000 resulted from higher actual vacancy rates for international and local staff, as explained in paragraph 2 above.

Income from staff assessment

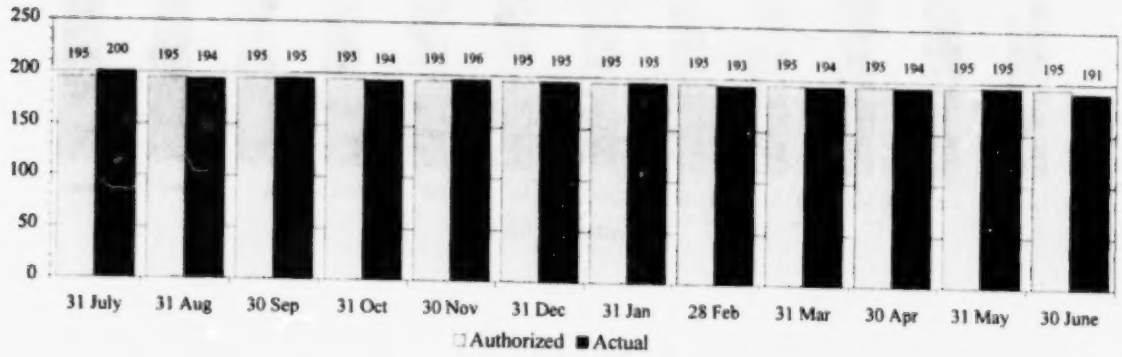
Apportionment: ($1,888,200); expenditure: ($1,637,200); variance ($251,000)

11. This amount was derived from staff assessment (see para. 10 above).

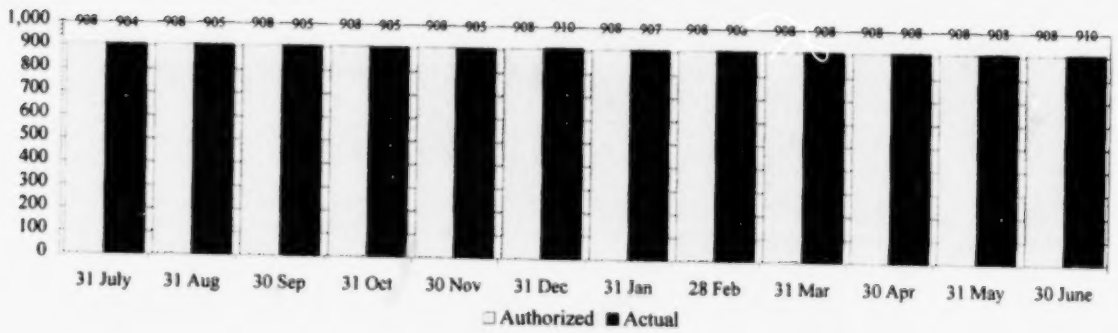
Annex III

Planned and actual deployment of civilian and military personnel for the period from 1 July 1998 to 30 June 1999

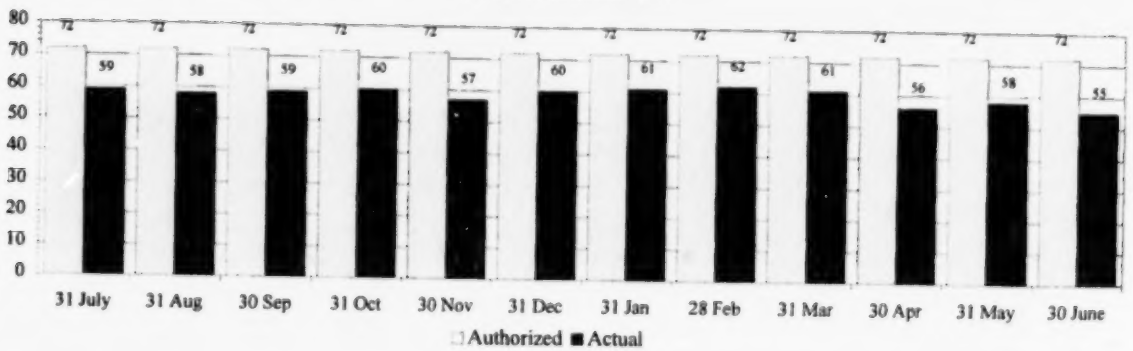
1. Military observers



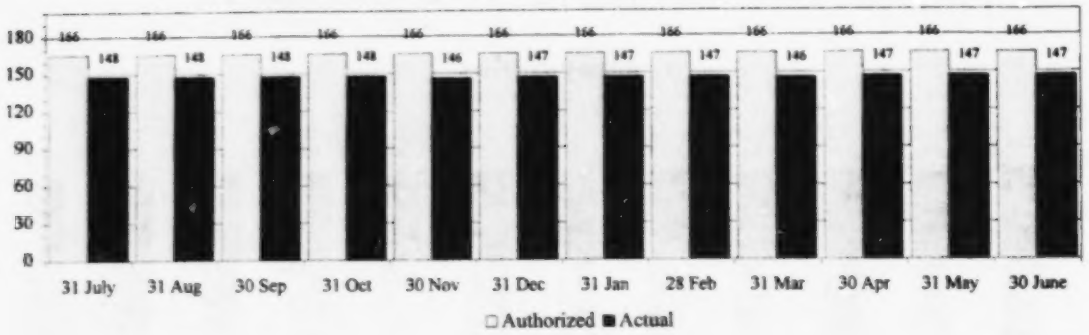
2. Military contingents



3. International staff

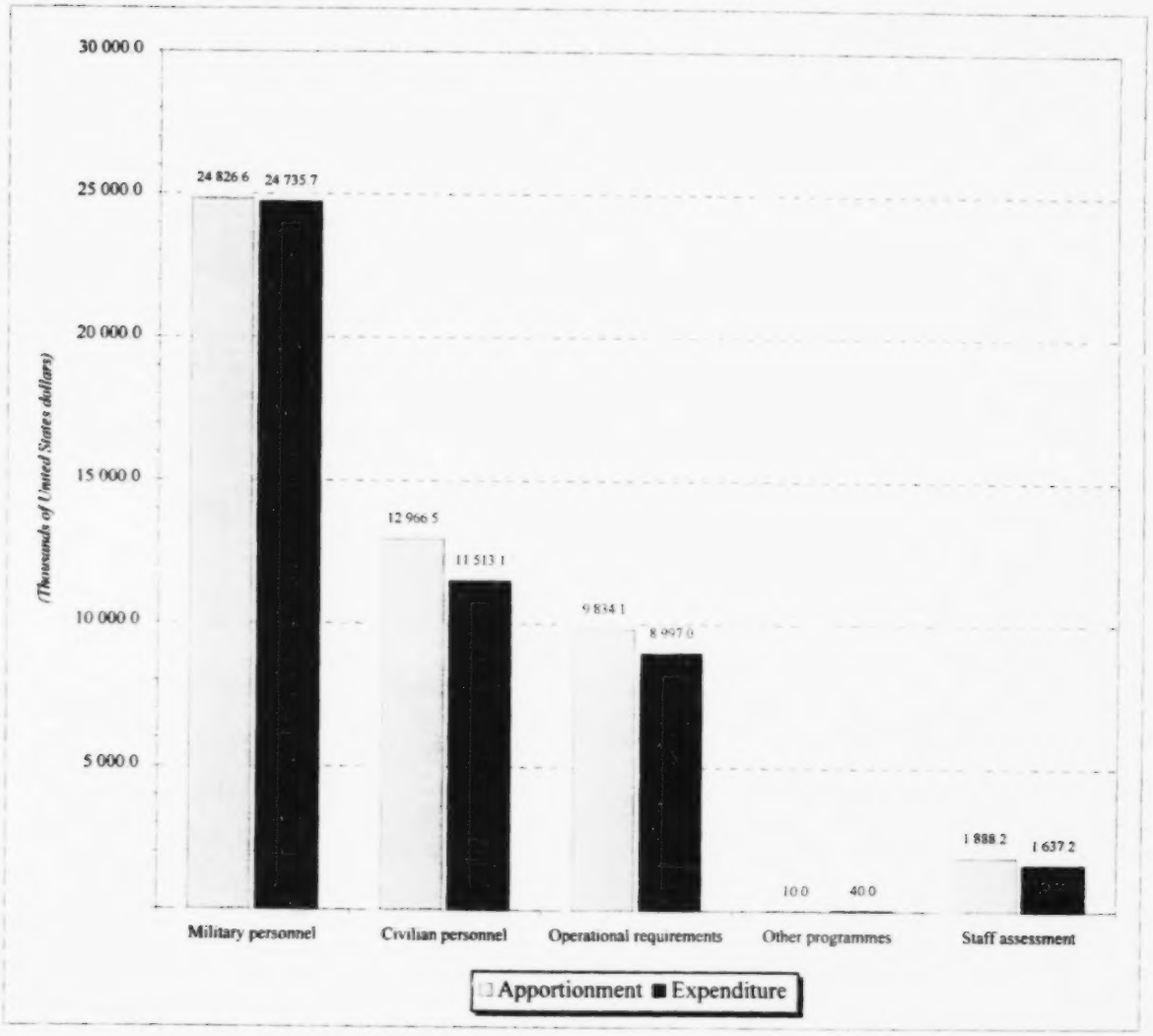


4. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 1998 to 30 June 1999



United Nations A/54/710

General Assembly

Distr.: General
24 February 2000

Original: English

Fifty-fourth session
Agenda item 118
Review of the efficiency of the administrative and financial functioning of the United Nations

Regulations governing the status, basic rights and duties of the Secretary-General

Report of the Secretary-General

I. Introduction

1. The General Assembly, by paragraph 9 of its resolution 52/252 of 8 September 1998, requested the Secretary-General to expedite the submission to the Assembly, by the fifty-fourth session, of appropriate regulations and rules governing the status, basic rights and duties of the Secretary-General, officials other than Secretariat officials and experts on mission. The present report is submitted in response to that request.

II. Constitutional background

2. Pursuant to Article 97 of the Charter of the United Nations, the Secretary-General is appointed by the General Assembly upon the recommendation of the Security Council, and is the chief administrative officer of the Organization. In accordance with Article 98, the Secretary-General shall act in that capacity in all meetings of the General Assembly, the Security Council, the Economic and Social Council and the Trusteeship Council, and shall perform such other functions as are entrusted to him by those organs.

3. In accordance with Article 97, the Secretariat comprises the Secretary-General and such staff as the Organization may require. Although the Secretary-General is not a staff member, he or she is a member of the Secretariat and an official of the Organization.

4. In accordance with Article 100, the Secretary-General, in the performance of his or her duties, shall not seek or receive instructions from any Government or from any other authority external to the Organization. The Secretary-General shall refrain from any action that might reflect on his or her position as an international official responsible only to the Organization.

5. Under Article 105, paragraph 3, the General Assembly is empowered to make recommendations with a view to determining, inter alia, the privileges and immunities of officials of the Organization or to propose conventions to Member States for that purpose. The Assembly did so by adopting the Convention on the Privileges and Immunities of the United Nations on 13 February 1946 (resolution 22 (I)). Article V of the Convention provides for privileges and immunities of officials and provides that the Secretary-General shall be accorded the privileges, immunities, exemptions and facilities accorded to diplomatic envoys, in accordance with international law.

6. The General Assembly, by its resolution 11 (I) of 24 January 1946, approved the observation of the Preparatory Commission that, given that the Secretary-

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General is a confidant of many Governments, no Member State should offer him or her, at any rate immediately on retirement, any governmental position in which his or her confidential information might be a source of embarrassment to other Member States, and on his or her part a Secretary-General should refrain from accepting any such position.

7. The General Assembly, by its resolution 590 (VI) of 2 February 1952, adopted the Staff Regulations of the United Nations. Staff regulation 1.10 provided that the Secretary-General should make the following oath or declaration orally at a public meeting of the Assembly:

> "I solemnly swear (undertake, affirm, promise) to exercise in all loyalty, discretion and conscience the functions entrusted to me as an international civil servant of the United Nations, to discharge these functions and regulate my conduct with the interests of the United Nations only in view, and not to seek or accept instructions in regard to the performance of my duties from any Government or other authority external to the Organization".

Staff regulation 1.10 was abolished with the adoption of a revised article I of the Regulations (see below).

III. Proposal by the Secretary-General concerning regulations governing the status, basic rights and duties of the Secretary-General

8. In his report on a proposed United Nations Code of Conduct (A/52/488), the Secretary-General submitted for consideration by the General Assembly a draft of the revised text of article I of the Staff Regulations and chapter I of the 100 series of the Staff Rules concerning the status, basic rights and duties of United Nations staff members. In the report, the Secretary-General indicated that the Administration would propose a separate set of regulations and rules governing the status, basic rights and duties applicable to the Secretary-General, officials other than Secretariat officials and experts on mission (ibid., annex II, section A.2, para. 6).

9. The General Assembly, in its resolution 52/252, adopted the revised text of article I of the Staff Regulations and took note of the revised text of chapter I of the 100 series of the Staff Rules applicable to United Nations staff members, as set out in the report of the Secretary-General (A/52/488, annex I), subject to certain modifications. In reviewing the Charter for the purpose of developing draft regulations and rules governing the status, basic rights and duties of the Secretary-General, officials other than Secretariat officials and experts on mission, it has become apparent that, with the exception of the oath or declaration of office to be made by the Secretary-General, the provisions of the Charter relating to the Secretary-General appropriately address the status, basic rights and duties of the Secretary-General. In view of those provisions, and with the understanding that the Secretary-General would continue to orally make the declaration now contained in staff regulation 1.1 (b) at a public meeting of the Assembly, the Secretary-General believes that there is no need for additional regulations and rules in regard to the Secretary-General. The declaration contained in staff regulation 1.1 (b) provides as follows:

> "I solemnly declare and promise to exercise in all loyalty, discretion and conscience the functions entrusted to me as an international civil servant of the United Nations, to discharge these functions and regulate my conduct with the interests of the United Nations only in view, and not to seek or accept instructions in regard to the performance of my duties from any Government or other source external to the Organization."

United Nations A/54/711

General Assembly

Distr.: General
17 January 2000

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Fifty-fourth session
Agenda item 151 (a)
Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations: financing of the United Nations peacekeeping operations

Financing of the United Nations Logistics Base at Brindisi

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 1998 to 30 June 1999. The General Assembly, by its resolution 52/1 B of 26 June 1998, approved the cost estimates of $7,141,800 for the financing of the Logistics Base for the same period. This amount includes $829,900 for the completion of two start-up kits.

By the same resolution the General Assembly decided to apply the unencumbered balance of $2,025,800 for the period from 1 July 1996 to 30 June 1997 to the resources required for the period from 1 July 1998 to 30 June 1999 and to prorate the balance of $5,116,000 among the approved appropriations of the individual active peacekeeping operation budgets to meet the financing requirements of the Logistics Base for the period from 1 July 1998 to 30 June 1999. These amounts are reflected in the respective performance reports.

Expenditures for the period totalled $6,690,000, resulting in an unencumbered balance of $451,800. The unencumbered balance resulted mainly from vacancies among the international staff and reduced requirements under transport and other programmes, offset by additional requirements for other equipment.

The action to be taken by the General Assembly in connection with the financing of the Logistics Base is set out in paragraph 14 of the present report.

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Contents

		Paragraphs	*Page*
I.	Introduction	1–3	3
II.	Implementation of the budget	4–11	4
III.	Financial performance report for the period from 1 July 1998 to 30 June 1999	12–13	5
IV.	Action to be taken by the General Assembly at its fifty-fourth session	14	6
Annexes			
I.	Financial performance report for the period from 1 July 1998 to 30 July 1999: summary statement		7
II.	Supplementary information on significant variances		8
III.	Planned and actual deployment of personnel for the period from 1 July 1998 to 30 June 1999		9
IV.	Apportionment and expenditure for the period from 1 July 1998 to 30 June 1999		10

I. Introduction

1. The budget for the financing of the United Nations Logistics Base at Brindisi, Italy, for the period from 1 July 1998 to 30 June 1999 was set out in the report of the Secretary-General dated 27 March 1998 (A/52/858) and amounted to $7,141,800, which consisted of a maintenance budget of $6,311,900 and provision in the amount of $829,900 for equipment to complete two start-up kits. It provided for a civilian establishment of 20 international staff (10 Professional and 10 Field Service) and 28 locally recruited staff. It also provided for 660 person-months under general temporary assistance, alteration and maintenance of premises, spare parts for various types of equipment, contractual services, transport, logistics and electronic support for the Base. The Secretary-General proposed that the expenditures for the period be prorated among the individual active peacekeeping operation budgets rather than appropriated separately.

2. The Advisory Committee on Administrative and Budgetary Questions, in paragraph 14 of its report of 12 May 1998 (A/52/897), recommended that the General Assembly approve the budget for the Logistics Base. The Committee also recommended that, after applying the unencumbered balance of $2,025,800 for the period from 1 July 1996 to 30 June 1997, the resulting balance of $5,116,000 be prorated among the individual active peacekeeping budgets to meet the financing requirements of the Logistics Base for the period from 1 July 1998 to 30 June 1999.

3. By its resolution 52/1 B of 26 June 1998, the General Assembly approved cost estimates in the amount of $7,141,800 for the period from 1 July 1998 to 30 June 1999, including $829,900 for the completion of two start-up kits. The Assembly also decided to apply the unencumbered balance of $2,025,800 for the period from 1 July 1996 to 30 June 1997 to the resources required for the period from 1 July 1998 to 30 June 1999 and to prorate the balance of $5,116,000 among the approved appropriations of the individual active peacekeeping operation budgets to meet the financing requirements of the Base for the period from 1 July 1998 to 30 June 1999. A breakdown of these resources is shown in table 1.

Table 1
Amounts provided by peacekeeping operations
(United States dollars)

Peacekeeping mission	*Amount*
United Nations Civilian Police Support Group	61 400
United Nations Peacekeeping Force in Cyprus	363 200
United Nations Disengagement Observer Force	281 400
United Nations Civilian Police Mission in Haiti	143 200
United Nations Iraq-Kuwait Observation Mission	419 500
United Nations Mission for the Referendum in Western Sahara	184 200
United Nations Observer Mission in Georgia	158 600
United Nations Mission of Observers in Tajikistan	66 500
United Nations Observer Mission in Angola	368 400

Peacekeeping mission	*Amount*
United Nations Preventive Deployment Force	168 800
United Nations Mission in Bosnia and Herzegovina	1 519 500
United Nations Interim Force in Lebanon	1 146 000
United Nations Mission in the Central African Republic	235 300
Total	**5 116 000**

II. Implementation of the budget

4. As indicated above, the budget provided for 20 international civilian staff, 28 local staff and 660 person-months under general temporary assistance. During the financial period there was an average monthly vacancy rate of 7 per cent among the international staff attributable to delays in the recruitment of replacement staff. Several staff of the Logistics Base were assigned to various missions, including newly established missions being started up in East Timor and Kosovo, to provide administrative and technical support as well as training in various database applications. These assignments utilized 19 person-months of the international staff complement.

5. The budget provided an amount of $829,900 for the purchase of vehicles and supplies for the completion of two start-up kits. Expenditures totalled $594,900, because the vehicles were obtained at a lower unit cost than anticipated. The Logistics Base maintained the two start-up kits in a state of readiness for deployment on short notice, and consequently was able to respond in a timely manner to the requirements of the United Nations Mission in East Timor (UNAMET) and the United Nations Interim Administration Mission in Kosovo (UNMIK).

6. Through its global network, the satellite communications relay system currently supports operations at United Nations Headquarters, the offices at Geneva and Nairobi and 21 field offices, as well as the Food and Agriculture Organization of the United Nations and the World Food Programme in Rome. It was enhanced and updated to provide end-users at both existing and new missions with greater data- and information-sharing capability, including Internet access. The improvements also facilitated the implementation of the field assets control system and will make it possible to continue development of the field mission logistics system. The major enhancements included installation of a 9.3-metre satellite Earth station to increase traffic capacity and the installation and commissioning of two network control systems for demand-assigned multiple access, which will allow efficient frequency assignment on the satellite transponder.

7. During the period under review, the Logistics Base, in cooperation with the Field Administration and Logistics Division, organized and hosted 11 training courses involving 190 participants from 21 missions, agencies and offices. The courses covered communication and networking technologies, procurement, personnel, finance and supervisory skills.

8. In addition to the above, the Logistics Base executed several procurement actions in connection with urgent requirements for missions and provided start-up logistical support to the UNMIK aircraft that used the Logistics Base as its base of operations.

9. The repair, refurbishment and preservation of various types of equipment has continued to be a vital function of the Logistics Base. Among the communication equipment refurbished and tested during the period were three rapidly deployable telecommunication

shelters, which were subsequently deployed to UNAMET and UNMIK. Of 214 vehicles, trailers and specialized transport and engineering equipment items received during the financial year, a total of 186 units were refurbished and shipped out. The refurbishment of generators is being done in-house with the use of individual contractors, as this has been deemed more cost-effective. Prior contractual arrangements have been terminated because of unsatisfactory performance.

10. By paragraph 9 of its resolution 52/1 B, the General Assembly approved the resourcing policy whereby provision is included in liquidation budgets for the cost of repair, refurbishment and preservation of equipment equal to 30 per cent of the total depreciated value of the equipment to be transferred to the Logistics Base. In accordance with this policy, a total amount of $3,340,247 was provided from the budgets of three liquidating missions: the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES)/Civilian Police Support Group, the United Nations Mission in Angola (MONUA) and the United Nations Preventive Deployment Force (UNPREDEP).

11. During the reporting period, the Logistics Base received for storage pending future re-use surplus serviceable material from the three liquidated missions listed above. The inventory value of equipment transferred to the Base from these missions amounted to some $26.7 million. In addition, equipment valued at $6.6 million was transferred from other peacekeeping operations. Equipment valued at $23.7 million, comprising non-expendable property ($20.1 million) and expendable property ($3.6 million), was transferred from the Base. The outgoing shipments consisted of expendables ($3.4 million) and assets ($19.2 million) in support of peacekeeping operations; expendables ($149,980) and assets ($833,764) in support of United Nations specialized agencies and other non-Secretariat entities; and expendables ($3,141) and assets ($188,233) in support of the Field Administration and Logistics Division of the Department of Peacekeeping Operations. In addition, the Logistics Base facilitated the trans-shipment of equipment valued at $4.5 million during the same period. Equipment valued at $3.5 million was trans-shipped in support of peacekeeping operations, while equipment valued at $1 million was trans-shipped in support of the United Nations specialized agencies and other non-Secretariat entities. In total, 6,160 tons of cargo were handled by the Logistics Base during the period.

III. Financial performance report for the period from 1 July 1998 to 30 June 1999

12. As indicated in table 2, from the apportionment of $7,141,800 for the financing of the Logistics Base for the period from 1 July 1998 to 30 June 1999, expenditures amounted to $6,690,000, including $1,282,500 in unliquidated obligations. The resulting unencumbered balance represents approximately 6.3 per cent of the amount apportioned. Annex I to the present report contains a summary of the financial performance information for the period. Interest income for the reporting period amounted to $114,000, and miscellaneous income amounted to $1,166,000.

Table 2
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Civilian personnel	3 967.2	3 830.2	137.0
Operational requirements	3 124.6	2 824.5	300.1
Other programmes[b]	50.0	35.3	14.7
Gross requirements	**7 141.8**	**6 690.0**	**451.8**
Voluntary contributions in kind (budgeted)	-	-	-
Voluntary contributions in kind (non-budgeted)	-	7.5	N/A
Total resources	**7 141.8**	**6 697.5**	**N/A**

[a] Includes an amount of $1,282,500 in unliquidated obligations.

[b] Excludes personnel.

13. Information on the deployment of civilian personnel during the reporting period is given in table 3 and annex III.

Table 3
Authorized staffing, incumbency and vacancy rates for the period from 1 July 1998 to 30 June 1999

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
International staff	20	19	7
Local staff	28	28	-

IV. Action to be taken by the General Assembly at its fifty-fourth session

14. **The action to be taken by the General Assembly in connection with the financing of the United Nations Logistics Base is a decision to apply the unencumbered balance of $451,800, interest income of $114,000 and miscellaneous income of $1,166,000 ($1,731,800 in total) to the resources required for the period from 1 July 2000 to 30 June 2001.**

Annex I

Financial performance report for the period from 1 July 1998 to 30 June 1999: summary statement

(Thousands of United States dollars)

Category of expenditure	*(1)* *Apportionment*[a]	*(2)* *Non-recurrent expenditures*	*(3)* *Total expenditures (inclusive of non-recurrent expenditures)*	*(4) = (1-3)* *Variance*
I. Civilian personnel				
International and local staff	3 967.2	37.4	3 830.2	137.0
Total, category I	**3 967.2**	**37.4**	**3 830.2**	**137.0**
II. Operational requirements				
1. Premises/accommodation	476.0	102.6	442.2	33.8
2. Transport operations	1 063.6	534.0	776.9	286.7
3. Communications	320.7	61.5	293.5	27.2
4. Other equipment	353.0	86.0	442.7	(89.7)
5. Supplies and services	871.3	2.0	831.2	40.1
6. Air and surface freight	40.0	-	38.0	2.0
Total, category II	**3 124.6**	**786.1**	**2 824.5**	**300.1**
III. Other programmes				
Training programmes	50.0	-	35.3	14.7
Total, category III	**50.0**	**-**	**35.3**	**14.7**
Gross requirements, categories I-III	7 141.8	823.5	6 690.0	451.8
IV. Voluntary contributions in kind (budgeted)	-	-	-	-
V. Voluntary contributions in kind (non-budgeted)	-	7.5	7.5	N/A
Total	**7 141.8**	**831.0**	**6 697.5**	N/A

[a] Based on financing arrangements set out in paragraph 7 of the General Assembly resolution 52/1 B.

Annex II

Supplementary information on significant variances

Civilian personnel

Apportionment: $3,967,200; expenditure: $3,830,200; variance: $137,000

1. The unutilized balance of $137,000 was due mainly to an average vacancy rate of 7 per cent among the international staff owing to delays in the recruitment of replacement staff. Some of those savings were offset by additional requirements for local staff arising from higher actual average net salaries than budgeted and a 28.8 per cent salary increase. Additional requirements also arose for the hiring of two consulting engineers and additional travel by a team from the Field Administration and Logistics Division to install and certify the implementation of the document imaging system of the field mission logistics system.

Operational requirements

Apportionment: $3,124,600; expenditure: $2,824,500; variance: $300,100

2. The unutilized balance of $300,100 is due to lower actual requirements under premises/accommodation ($33,800), transport operations ($286,700), communications ($27,200), supplies and services ($40,100) and freight ($2,000), offset by additional requirements under other equipment ($89,700).

Transport operations

Apportionment: $1,063,600; expenditure: $776,900; variance: $286,700

3. The unutilized balance under this heading is due primarily to lower actual unit costs than budgeted for the vehicles purchased for the start-up kits and to availability of fuel at $0.23 per litre instead of $0.35 per litre as budgeted. Of the amount of $759,000 provided for vehicles, the actual expenditure totalled $525,700.

Other equipment

Apportionment: $353,000; expenditure: $442,700; variance: ($89,700)

4. Additional requirements arose for office furniture, material-handling equipment and additional generator spare parts for in-house maintenance. The original estimate anticipated maintenance of generators under contractual arrangements. However, the contract was not renewed because of unsatisfactory performance.

Other programmes

Apportionment: $50,000; expenditure: $35,300; variance: $14,700

5. The provision under this heading was for training. The unutilized balance of $14,700 was realized because Logistics Base staff participated at no cost in several in-house training courses.

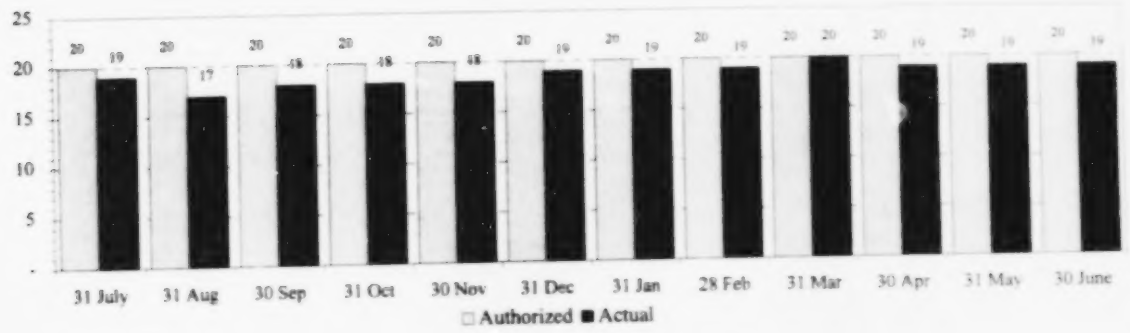
Voluntary contributions in kind (non-budgeted)

6. The amount of $7,500 represents the amount applicable for 1.5 months of the reporting period during which the services of two specialist military personnel were provided by the host Government to assist in the reconciliation of military spare parts inventory.

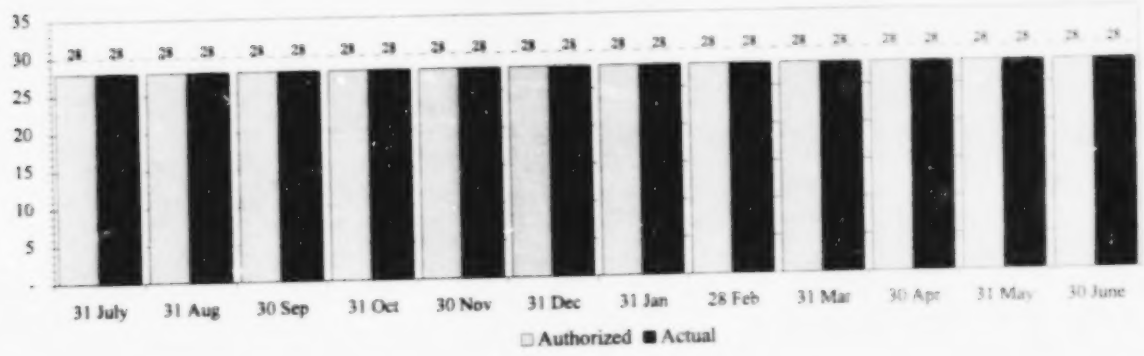
Annex III

Planned and actual deployment of personnel for the period from 1 July 1998 to 30 June 1999

1. International staff



2. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 1998 to 30 June 1999